
MANUFACTURING AND AGRICULTURE TAX CREDIT

(For Manufacturing and Agricultural Activities in Wisconsin)

Fact Sheet

A manufacturing and agriculture tax credit is available for taxable years that begin on or after January 1, 2013 for manufacturing and agricultural activities in Wisconsin. This is also referred to as a qualified production activities tax credit or as a domestic production tax credit.

This fact sheet provides a general overview of the qualifications for claiming the credit. Nothing in this fact sheet replaces or changes any provisions of Wisconsin tax law, administrative rules, or court decisions.

WHO IS ELIGIBLE TO CLAIM THE CREDIT

An individual, estate, trust, limited liability company (LLC), corporation, or tax exempt corporation may claim the manufacturing and agriculture tax credit.

WHO MAY NOT CLAIM THE CREDIT

Partnerships, LLCs, LLCs treated as partnerships, and tax option S-corporations cannot claim the credit; however, the credit computed by those business entities can pass through to the partners, members, or shareholders.

QUALIFICATIONS

To qualify for the manufacturing and agriculture tax credit, you must meet the following conditions:

- The claimant must derive qualified production activities income from property in Wisconsin that is assessed as manufacturing property under s. 70.995 or agricultural property under s. 70.32(2)(a)4, Wis. Stats.
- The qualified production activities income must consist of income defined in 26 USC 199(c) of the Internal Revenue Code, as modified for Wisconsin.

CLAIMING THE CREDIT

The manufacturing and agriculture tax credit will have its own schedule and the schedule will need to be included with your Wisconsin franchise or income tax return. For more information, visit the Department of Revenue web site at www.revenue.wi.gov, write to the Wisconsin Department of Revenue, Mail Stop 5-144, PO Box 8906, Madison WI 53708-8906, or call the Department of Revenue at 608-266-2772.

CREDIT COMPUTATION

The credit is equal to one of the following percentages of the claimant's eligible qualified production activities for the taxable year:

- 1.875 percent for taxable years beginning after December 31, 2012 and before January 1, 2014.
- 3.75 percent for taxable years beginning after December 31, 2013 and before January 1, 2015.
- 5.526 percent for taxable years beginning after December 31, 2014 and before January 1, 2016.
- 7.5 percent for taxable years beginning after December 31, 2015.

UNUSED CREDITS

The amount of credit not entirely offset against Wisconsin income or franchise taxes may be carried forward and credited against Wisconsin income or franchise due for the following 15 taxable years until fully used.

CREDIT IS INCOME

The amount of credit computed is income and must be reported on your Wisconsin income or franchise tax return.